



KHIE BD&F Committee: Sustainability and Business Model

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Business Model

Analysis of Other State Plans

- Pro Forma Modeling
- Kentucky Demographics
- Market Structure Assessment

Research

Literature Review

- Sustainability
- Value Propositions
- BTE's/CSF's

Primary Research

Revenue Sources

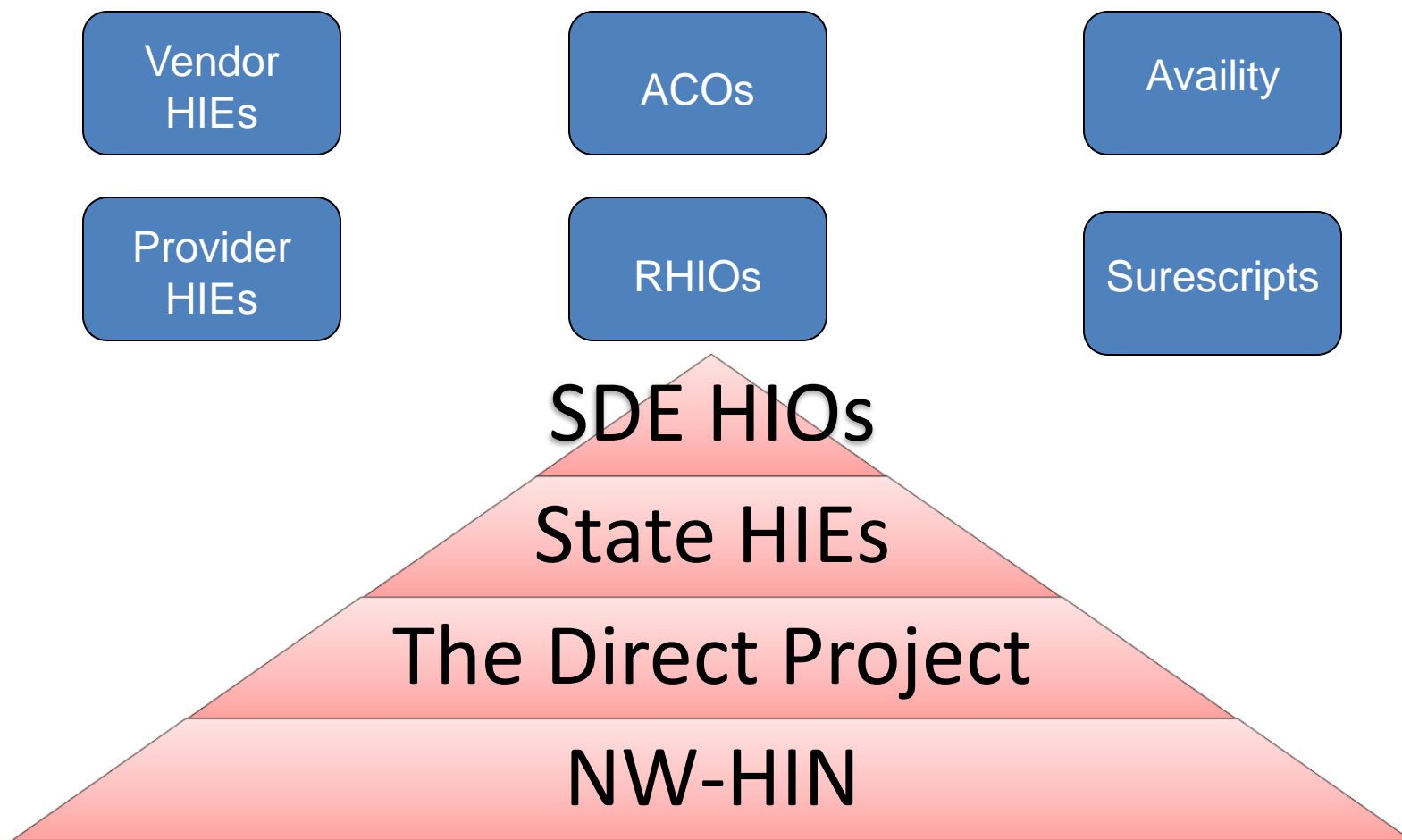
Subscriptions

- Providers
- Practitioners
- Payers/Medicaid

Value-Added Services

Third Party Services

Evolving Network of Networks





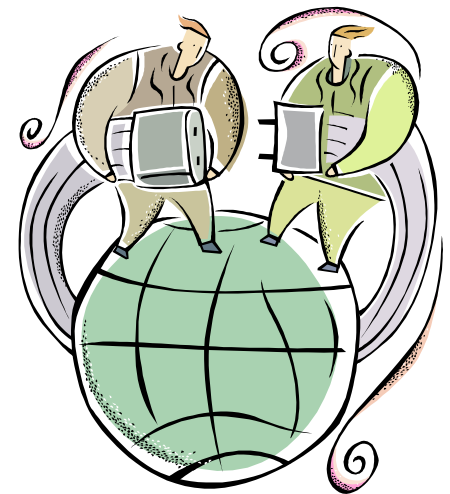
KHIE
KENTUCKY HEALTH
INFORMATION EXCHANGE

The Value of KHIE: Cost and Access

- **Lowest Cost Approach**
 - Reflected in Pricing
 - Economies of Scale
 - Network Effects
- **Core Services from a Neutral Entity**
 - Allows Market to Evolve
 - Universal Access
 - Support for Public Health

- **Quality Reporting Measures**
 - Supports subscriber-based quality reporting programs of interest: eg. Meaningful Use, CMS Physician Quality Reporting System
 - Public reporting on behalf of subscribers: communicable diseases, government submission requirements
 - Disease reporting to public health
- **Meaningful Use 1 and Meaningful Use 2**
 - Aggregate Medicare Penalties of \$188M by 2019

- **Medicaid Interconnection**
 - MCO Connection
- **Public Health**
- **HIE to HIE**
- **Registries**
 - Immunization
 - New Birth
 - Cancer
 - Other Registries in Process
- **Analytics**



- **Public Health**
- **Underserved Populations (FQHCs, CAHs)**



- **Proportional Stakeholder Contributions**
- **Pass-Through of Economies of Scale Savings**
- **CMS Guidelines for HIE Support**
- **Assumption of Diffusion/Take-Rates**
- **Drill-Down Cash-Flow Modeling**



- **Lower than Any State Plan**
 - Government-CMS, Medicaid
 - Payors
 - Providers
 - Non-Provider Based Physicians
 - Bills under own MPI number

- **The lowest stakeholder contribution compared to any other filed state plan**
- **KHIE cost estimates**
 - Economies of scale are evident
 - Take-rate is projectable
 - Still refining cost estimates
- **Cash flow model**
 - Conservative
 - Sustainability and growth focus

- **Core services will be included in basic subscriptions**
- **MU Stage 2 and 3 evolution**
- **ACO outcome measures will shape network requirements**
- **Currently Researching:**
 - Cost Effective Analytic Services
 - Infrastructure Costs to Support Value-Added Services
 - Identify gaps in care coordination





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- **Leveraging the KHIE Infrastructure for New Services**
- **Clearinghouse and Aggregation Services**
- **Third Party Applications**
- **RFP Requirements: Case-by-Case**

Surveys:

- **Will be asking for your assistance in engaging KHIE users**
- **Online or paper survey**
- **10-15 minutes**
- **Results used in KHIE planning, services and reporting**

Focus Groups

- 6-8 to Be Conducted Across the Commonwealth
- Will be asking for your assistance in engaging KHIE users
- Participant honoraria
- Results used in KHIE planning, service development and reporting

Questions?